

THE UNITED REPUBLIC OF TANZANIA



No. 2 OF 1998

I ASSENT,
Benjamin W. Mkapa
President
17th March, 1998.

An Act to amend certain Written laws

[.....]

ENACTED by the Parliament of the United Republic of Tanzania.

- | | |
|--|-----------------------------------|
| 1. This Act may be cited as the Written Laws (Miscellaneous Amendments) Act, 1998. | Short title |
| 2. The Laws set forth in the first and second column of the Schedule to this Act are hereby amended in the manner specified in the third column. | Amendment of certain Written Laws |

COLUMN I	COLUMN 2	COLUMN 3
		<u>SCHEDULE</u>
Act No. 24 of 1997	The Value Added Tax Act, 1997	The Act is amended- (a) In section I by deleting a full-stop which appears at the end of that section and adding thereafter the following words- -and of Parts VII, VIII, IX, X and XI which will come into operation on the I st day of March, 1998." (b) In section 14- (i) by inserting the word "taxable" between the words "The" and "value", (ii) by deleting the words "or services" wherever-they appear in that section; (iii) by renumbering section 14 as section "14(l)"; (iv) by adding the following new subsection- "(2) The taxable value of imported services shall be determine in accordance with the provisions of

FIRST COLUMN	SECOND COLUMN	THIRD COLUMN
		section 13 and rules and regulations made by the Minister for that purpose.
		providing for modalities of charging the tax".
		(c) In section 16 by deleting the word "any" which appears between the words "allowed" and "that" in subsection (6) and substituting for it the word "and".
		(d) In section 22-
		by inserting the words "to be treated" immediately after the word "time" which appears in subsection (4).
		(e) In section 38 by inserting the word "any" between the words "of" and "other" and by deleting the word "existing" which appears immediately before the word "law"
		In section 39-
		(i) by deleting the word "fund" which appears in paragraph (c) of subsection (2) and substituting for it the word "found";

FIRST COLUMN

SECOND COLUMN

- (ii) by deleting the words "anything taken" which appears at the end of subsection (3) and substituting for the, word "it";
 - (iii) by inserting the word "being" between the words "from" and "tampered" which appears in subsection (4).
-
- (g) In section 44 by deleting the word "and" which appears in subsection (2) and substituting for it the words "or on"
 - (h) In section 46 by inserting the word "knowingly" between the words "this Act" and "makes".
 - (i) In section 51 by inserting the words in accordance with the provisions of section of "the Tanzania Revenue Authority Act, 1995", immediately after the word "appointed" which appears in subsection (1).

FIRST COLUMN

SECOND COLUMN

THIRD COLUMN

- (j) In section 54 by deleting the word "compilel" which appears in paragraph (c) of subsection (6) -and substituting for it the word "compel".
- (k) In section 56-
 - (i) by inserting the words "and the Commissioner has not exercised right of appeal conferred under subsection (4)" between the words "allowed" and "it shall" which appears in subsection (2);
 - (ii) by repealing subsection (4) and replacing it with the following new subsection-

"(4) Where any of parties to the appeal is aggrieved by the decision of the Appeals Tribunal, such party may appeal to the High Court within fourteen days from the date on which the decision of the Appeals Tribunal was made"

FIRST COLUMN

SECOND COLUMN

THIRD COLUMN

- (l) In section 58 by deleting the word "above" which appears immediately after the word and figure "subsection (1)" which appears in subsection (2).
- (m) In section 71 by deleting the words "or privilege created, acquired, accrued" which appears in subsection (2).
- (n) In section 74 by deleting the word item where it first appear in that section and substituting for it the word "article".
- (o) In the second Schedule-
 - (i) in item 2 by deleting a full-stop which appears immediately after the words "and similar products"; and adding the following words-
"Which are necessary for use in agricultural purposes."

FIRST COLUMN

SECOND COLUMN

THIRD COLUMN

(ii) by deleting Paragraph 3 of item 3;

(iii) in item 7 by deleting the word "and" and substituting for it the word "or"

(p) In the Third Schedule-

(i) by inserting the words "supplies to or importation of goods or services" immediately after the words which appears in - item 1.

item 1.

(ii) by adding the following item immediately after items 5-

"6. The supply to a registered medical practitioner, optician, dentist, hospital or clinic, or to a patient, of equipment designed solely for medical or prosthetic use.

FIRST COLUMN	SECOND COLUMN	THIRD COLUMN
Act No. 21 of 1973	The National Examination Council Act, 1973	The Act is amended- (a) In section 4- (i) by deleting paragraph (a) and substituting for it the following- "(a) to formulate examination policy in accordance with the principles of education for self-reliance and the education and training policy. (ii) by adding the following paragraph immediately after paragraph (e) - • -(f) to act as the body which shall facilitate, administer and supervise foreign examinations in Tanzania." (b) in subsection (4) of section 5 -

FIRST COLUMN

SECOND COLUMN

THIRD COLUMN

- (i) by inserting immediately after the word "University- where it first appears in paragraph (b) the words "or tertiary or institution of higher learning", and by deleting the semi-colon and by inserting immediately after the word "University" where it second appears the words "or such other institution;"
 - (ii) by deleting paragraph (a); and
 - (iii) by renumbering paragraph (b) and (c) as paragraphs (a) and (b) respectively-
- (c) In section 9 by deleting paragraph (b) of subsection (1) and substituting for it the following-
- "(b) six other members of the council";
- (d) In subsection (1) of section I 0 by deleting a coma and the words "aTechnical Examination Committee";

FIRST COLUMN

SECOND COLUMN

THIRD COLUMN

- (e) by adding the following new section immediately after section 22-

"Regional
Administrative
Secretary and
Principal
Secretary

Zanzibar to
be members

22A Each Regional
Administrative Secretary and
the Principal Secretary
of the Ministry of Education
Zanzibar shall be
representatives of the
Council in their respective
reas of jurisdiction. ",

- (f) In subsection (1) of section 23 by deleting the words "one hundred thousand" and "twenty four months" and substituting for them the words "one million' and "twenty years" respectively; and

FIRST COLUMN	SECOND COLUMN	THIRD COLUMN
		(g) In the Schedule- (i) by renumbering Paragraph 2 as subparagraph 2(I); (ii) by adding the following new subparagraph immediately after the renumbered subparagraph (I)- "(2) The Minister may amend or vary the constitution of the members of the Council."
Act No. 25 of 1978	The National Education Act 1978	The Act is amended in the Schedule in subparagraph 2 by deleting item (b) and (c) and substituting, for them the following "(b) the Regional Administrative Secretary, who shall be the vice chairman;
Act No. 2 of 1992	The Public Corporation Act, 1992	The Act is amended by inserting immediately after section 57 the following new section- (iv) in the renumbered section 21, by deleting the figure "19" and substituting for it the figure "20"; (v) by repealing section 21 and substituting for it the following:

FIRST COLUMN

SECOND COLUMN

THIRD COLUMN

"Dissolution or
winding up
of public
corporation

57A-(1) The Minister may make regulations providing for the dissolution of a public corporation the circumstances of its dissolution and procedure for doing so.

(2) In prescribing the procedure referred to in subsection (1) the Minister may provide different procedures for public corporations or statutory corporation wholly owned by the Government and those in which it is merely a majority share holder for the time being; and such procedure shall be compulsory in relation to public corporation."

Act No. 3 of
1997

Amendment on
The Tea
Authority Act
1997

The Act is amended -
(a)

(i) by inserting after section 14 the following section-

FIRST COLUMN

SECOND COLUMN

THIRD COLUMN

Regulations of purchase of tea leaves

15.-(I) Any person may, whether or not he manufactures tea or he is the agent of the manufacturer, purchase any tea leaves from any producer.

(2) Notwithstanding subsection (1), any person who purchases tea leaves in pursuance of this section shall, in dealing with the leaves, comply with conditions and restrictions imposed or prescribed by the Board to safeguard the quality of the tea so purchased, and it shall be an offence against this Act, which shall be punished, in addition to any other penalty, with an order prohibiting that purchaser from any further dealing in tea."

(ii) by renumbering sections 15, 16, 17, 18, 19 and 26 as sections 16, 17, 18, 19, 20 and 21 respectively;

(iii) in the renumbered section 17(l)(b) by deleting the figure "18" and substituting for it the figure "16";

(iv) in the renumbered section 21, by deleting the figure "19" and substituting for it the figure "20";

(v) by repealing section 21 and substituting for it the following:

FIRST COLUMN

SECOND COLUMN

THIRD COLUMN

"Restriction on export of tea, seed etc.

22.-(1) No person shall, without the permission in writing of the Board, export or Import tea, seed, any living seed plant which may be used or is capable of being used for the propagation of tea.

(2) Any person who refuses or fails to comply with the provisions of subsection (1) commits an offence."

(vi) by renumbering sections 22 and 23 as sections 23 and 24".

The Companies Ordinance is amended-

- (a) by adding the following new provision immediately after subsection (2) of Section 331 B-

"(3) Where a company or its agent owns shares undergoes divestiture in accordance with the provisions of any written law relating to privatization, the provisions of this Ordinance, or any other written law, articles or other charter or instrument of the company the shares of which are undergoing divestiture, which relate to pre-emptive right of share holders, shall not apply in relation to that company"

- (b) by renumbering subsections (2) and (3) as subsections (3) and (4).

The Income Tax Act, 1973 is amended-

- (a) in paragraph (f) of section 8 which relates to the introduction of new section 3B by deleting the words "section 33" which appears in the third line and substituting for them the words "section 2";

- (b) in section 34 by adding immediately after subsection (2C) the following new subsection-

- '(2D) The requirements under subsection (213) shall not apply to purchases of minerals from persons carrying on mining operations or in respect of payments of any amount to any person in respect of technical services provided to-a person carrying on mining operations. ";

- (c) in Part III of the Second Schedule

- (aa) in subparagraph (3) of paragraph 18

- (i) by inserting a comma in the third line after the phrase "additional capital allowance,-,

- 00 by inserting a comma in the fourth line after the phrase

- 'the allowance base; and

- (iii) by deleting the word "which" which appears in the fourth line after the phrase "allowance base.,"

- (bb) in paragraph 20 by deleting the word "shall" which appears in the fifth line after the phrase "derived from such mining operations, "

- (d) in Head B of the Third Schedule-

- (aa) by deleting the whole of subparagraph (2) of paragraph 4 after the redesignated subparagraph (1) of paragraph 4 and substituting for it the following new paragraph.

- "4(2) In the case of persons carrying on mining operations the non-resident with holding tax rate shall be-

<i>Nature of Payment</i>	<i>Tax rate</i>
(i) Any management fee where the total of such management fees in any year does not exceed 2% of the amount claimed by the person as a deduction from income in respect of. operating expenses incurred in Mining Operations	3% of the gross amount payable
(ii) Any management fee in excess of the amount specified in paragraph 4.(2)(1)	20% of the gross amount payable
(iii) Any professional fee	as provided in paragraph 4(1) (a) 3% of the gross amount payable as provided in paragraph 4(t)(c)
(iv) Any payment for Technical Services	
(v) any rent, premium or like consideration for the use of or occupation of property	
(vi) any dividend	10% of the gross amount payable
(vii) any interest on loans in foreign currencies from third parties	nil
(viii) any interest other than interest on loans in foreign currencies from third parties	as provided in paragraph 4(l)(e)
(ix) any pension or retirement annuity	as provided in paragraph 4(l)(f)
(x) in respect of any distribution of branch profits	10% of the amount of such distribution.

The proviso to paragraph 4(1) shall apply also to paragraph 4(2)"

(bb) by inserting a phrase "payment for technical" immediately after the phrase "mining operations in respect of" which appear in the second line, and by inserting the words "in respect" in the fourth line after the phrase "settlement of the income tax liability."

(e) in the Third Schedule No. 2 which relate to "DEDUCTIONS IN RESPECT OF WITHHOLDING TAX ON DIVIDEND AND INTEREST ON LOANS" by adding the following new item immediately after 14-

"15. Transport sector 10 o"
in relation to
Inland marine
transportation

The Customs Tariff Act, 1976 is amended in the Fourth Schedule which relates to "PRIORITY SECTORS FOR THE PURPOSES OF INVESTMENT PROMOTION" by adding the following new item immediately after item 12-

"13. Transport sector in
relation to Inland
marine transportation"

The amendments in respect of the Customs Tariff Act, 1976 and the Income Tax Act, 1973 shall be deemed to have come into operation on the date on which the Financial Laws (Miscellaneous Amendments) Act, 1997 came into operation.

The NBC (1997) Limited Incorporation Act, 1997 is amended in subsection (4) of Section 3

(a) by deleting the words "and liabilities" and the words "or subject to;"

(b) by deleting a comma which appears between the words "assets" and "right" and substituting for it the word "and".

The National Microfinance Bank Limited Incorporation Act, 1997 is amended in subsection (4) of section 4-

(i) by deleting the words "and liabilities" and the words " or subject to;"

(ii) by deleting a comma which appears between the words "assets" and "right" and substituting for it the word "and".

The National Bank of Commerce (Reorganization and Vesting of Assets and Liabilities) Act, 1997 is amended in Section 10 as follows —

(a) In subsection (1) by deleting paragraph (e) and substituting for it the following—

"(e) in respect of non-banking assets, all other residual assets and all liabilities, whether arising from banking or non-banking assets, and business of the former bank not transferred and vested by paragraphs (a) (b) (c) or (d) this subsection, be transferred to and vest in the Corporation."

(b) In subsection (4) by deleting the words "the Company" and "the NMB".

Passed in the National Assembly on the 12th February, 1998.

.....
Clerk of the National Assembly